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Before the
Federal Communications Commission
Washington, D.C. 20554

In the matter of

Tariff filing requirements for
Nondominant Common Carriers

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CC Docket No. 93-36

COMMENTS OF LinkUSA

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March 26, 1993

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COMMENTS OF LinkUSA CORPORATION

LinkUSA hereby submits its comments in the above-captioned proceeding. As a wholesale provider of interstate operator-assisted services, LinkUSA enables third tier¹ customers to offer enhanced products such as travel features, information services, and operator-assisted calling to their customers. Thus, LinkUSA has a vested interest in the outcome of this proceeding and offers the following comments on reducing the tariff burden on nondominant carriers.

Given the growth of and competition in the telecommunications marketplace during the years of FCC forbearance policy, LinkUSA believes that the Commission is appropriately attempting to minimize the tariff obligations of nondominant common carriers. Nondominant carriers are

¹The term "third tier interexchange carrier" is used by LinkUSA to denote interexchange carriers whose annual revenues do not exceed \$120 million. LinkUSA research indicates that over 300 such companies are currently operating throughout the United States.

generally small and their ability to influence the prices in the marketplace is negligible. Their rates evolve through marketplace competition and tariffing artificially fixes the rates reducing smaller carriers' ability to succeed in the marketplace. LinkUSA encourages the Commission to adopt its proposed streamlining measures for nondominant carriers.

One Day Notice Period

LinkUSA works closely with the smaller carriers in the telecommunications marketplace, offering Third Tier interexchange carriers the opportunity to provide their own operator services without the concomitant development costs. Often these companies are new and/or unfamiliar with the regulatory requirements of this industry. These new and small companies focus on their service offering, and late realization of the requirement for a fourteen day notice period can cause a devastating delay. LinkUSA believes that the current two week waiting period represents an artificial ~~obstacle to success for these companies~~

correctly" rather than the intended protection for consumers. Reduction of the notice period to one day should reduce the strategic importance of the tariff while intense industry competition should protect the consumer from unjust and unreasonable rates.

Range of tariff approved rates

LinkUSA believes that, of all the streamlining proposals, allowing companies to state either a range of rates or only a maximum rate may be the most important provision. The purpose of the tariff is to protect consumers from unreasonable and unjust rates. Since small companies in the marketplace have no independent effect on prices, their exact rates are unimportant. By monitoring a nondominant company's maximum rate, the Commission can protect the consumer against unreasonably inflated rates. LinkUSA believes that a minimum rate is also important to the marketplace. The inclusion of the minimum rate guards against the ugly face of competition: predatory pricing, which allows larger or more successful carriers to either inhibit entry of a new company into the marketplace or to drive an existing company out of business. LinkUSA suggests some ratio between the two rates be set as presumptively reasonable.

For small and/or new companies, a range of rates would reduce the onerous costs of tariff revision, especially the filing fee itself. The Commission's proposal would enable

these companies to make changes in their rates without the external cost of tariff revision filing fees entering into the company's internal cost/benefit analysis of the new price schedule. The smaller companies will thus be better able to compete with the larger companies for whom the filing fee is negligible. In today's market, consumers are protected from unjust rates through the intense competition. Tariffing the exact rates of nondominant carriers does not serve a public need but rather, an outdated and narrowly-interpreted regulatory requirement; the broader interpretation fits the needs of today's telecommunications industry and consumers.

Diskette filing of tariff

LinkUSA is well on its way to creating a "paperless office." We applaud the Commission's suggestion to file tariffs on diskette. From a cost perspective, LinkUSA believes that the cost of a diskette will be balanced by the eliminated cost of paper and the associated weight-based shipping costs of the tariff.

LinkUSA also endorses the Commission's proposal to modify the technical requirements of tariffing on the basis that it will enable small and new companies to write and format their own tariff, thus, reducing the need for consultants and lawyers to ensure compliance with technical details. This will further reduce the costs of tariff submission for these companies.

Other suggestions

LinkUSA proposes that the Commission allow companies to concur with other tariffs on a streamlined basis. In this scenario, the concurring company would send a letter stating the services for which they concur with another company's tariff. The letter would include the heading name and all

directly affects the ability of these companies to expand their service offerings. New and innovative services, which may or may not succeed, are not introduced by small companies until the market has already been explored by a larger company for whom the filing fee cost is negligible. This disadvantage is not a function of the industry but of government regulation. LinkUSA urges the Commission to reduce the filing fees for tariffs, hopefully for all submissions, but at least for tariff revisions.

Another technical issue for streamlining revolves about the actual submission of the tariff. LinkUSA suggests that the proposed diskettes and required cover letter plus copies be sent to a central location from which the distribution can be coordinated. LinkUSA believes that the submission of the tariff to three locations in the same building is onerous to small companies who must pay the courier fees for three packages. If the Commission's diskette submission format is adopted, LinkUSA believes that this change will cut the shipping costs of tariff submission by one third.

LinkUSA urges the Commission to adopt the changes outlined in its Notice of Proposed rulemaking. A one day notice period will further the Commission's goal of a truly competitive telecommunications industry. The adoption of a minimum/maximum rate range in nondominant common carrier tariffs reduces the administrative costs of tariff maintenance for smaller companies, essentially giving these

smaller carriers the same price flexibility as the larger carriers currently have and for whom the current filing fees are not onerous. Finally, the Commission's proposal to submit tariffs on diskettes and reduce the technical requirements, relieves the smaller carriers of other administrative costs. These costs include copying costs, shipping based on weight costs, and a reduction in the need for the services of lawyers and consultants and their fees to meet these requirements.

Additionally, LinkUSA suggests that the Commission streamline the process for concurrent tariffs. The Commission would receive a letter from both parties agreeing to concur and including all information the Commission deems necessary. LinkUSA urges the Commission to further streamline the common carrier tariff submission process centralizing the submission process, so that carriers send one package with all required originals, copies, and diskettes.

LinkUSA believes the decisions of the Commission are vitally important to small and new carriers. The appropriate decisions could enhance competition and entry into the telecommunications industry which would serve consumer demands in the long run with minimal governmental intervention.

For the above mentioned reasons, LinkUSA urges the Commission to adopt the proposals in its Notice of Proposed Rulemaking regarding Tariff Filing Requirements for Nondominant Common Carriers and the proposals set forth above by LinkUSA.

Respectfully submitted,
LinkUSA Corporation

By: 

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March 26, 1993

Certificate of Service

I, Ashley Waltemann, hereby certify that a copy of the foregoing Comments of LinkUSA was served by Federal Express this 26th day of March 1993 to the persons listed below.

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Ashley Waltemann

March 26, 1993